

QUICK REFERENCE TO **SBA** LOAN PROGRAMS

Programs	Max. Amount Guaranteed	Percentage of Guarantee (Max)	Use of Proceeds	Maturity	Maximum Interest Rates	Guarantee Fees	Who Qualifies
7(a) Loan Guaranty Program The SBA's primary loan program	\$1,500,000 (SBA's share); maximum total loan \$2,000,000	90% up to \$1,666,666; larger loans calculated as follows: \$1,500,000 (maximum SBA guaranty) divided by the loan amount rounded down to second decimal	Expansion or renovation; construction of new facility; purchase land or buildings; purchase equipment, fixtures, inventory; leasehold improvements; working capital; refinance debt	Depends on ability to repay; term working capital or machinery/equipment up to 10 years (not to exceed useful life of equipment); real estate acquisition or construction, up to 25 years	FIXED: (entire term), see SBA Base Rates at www.colsonservices.com/main/news.shtml ; VARIABLE: under 7 years, max (prime or 3% over 30 day LIBOR) +2.25%; VARIABLE: 7 years or more, max (prime or 3% over 30 day LIBOR)+2.75%; under 50,000, higher rates are allowed	Paid by lender (they may be reimbursed); based on maturity of the loan: 1 year or less, 0.25%; over 1 year, no fee	Must be operated for profit; meet SBA size standards; show good character, management expertise and commitment; and ability to repay; may not be involved in speculation or investment in rental real estate
504 Certified Development Company Loan Program Long-term, fixed-asset loans through nonprofit development companies; generally must create or retain 1 job per \$50,000 of debenture proceeds. Small manufacturers require only 1 job per \$100,000 of debenture proceeds.	Limit on SBA's portion of project is generally \$1.5 million; in some cases, SBA's share may reach \$2 million; \$4 million limit for loans to a manufacturer	Not applicable; SBA supports up to 40% of project. Other financing is independent of SBA	Purchase of major fixed assets such as land, buildings, improvements, long-term equipment, construction, renovation	Generally 20 years	Not applicable SBA's share is below market, fixed rate financing	Fees related to debenture, approximately 1%	For-profit business that does not exceed \$7 million in tangible net worth and does not have average net income over \$2.5 million for past 2 years
SBAExpress Lender approves loan, no additional SBA paperwork; limited participants	\$350,000 (total loan amount)	50%	Same as 7(a); except participant's debt restructure cannot exceed 50% of project. Also, may be used for <u>revolving credits</u>	Term loans same as 7(a); no more than 7 years on revolving line of credit	Loans up to \$50,000, max - prime +6.5%; over \$50,000, max - prime +4.5%	See 7(a)	See 7(a)
Community Express Lender approves loan, no additional SBA paperwork; limited participants	\$250,000 (total loan amount)	90%	Same as 7(a); except participant debt restructure cannot exceed 15-25% of project. Also, may be used for <u>revolving credits</u>	Term loans same as 7(a); no more than 7 years on revolving line of credit	See 7(a)	See 7(a)	See 7(a); for loans over \$25,000 business must be located in a low or moderate income area, HubZone or distressed area.
Patriot Express Lender approves loan, no additional SBA paperwork; limited participants	\$500,000 (total loan amount)	90%	Same as 7(a); except participant debt restructure cannot exceed 15-25% of project. Also, may be used for <u>revolving credits</u>	Term loans same as 7(a); no more than 7 years on revolving line of credit	See 7(a)	See 7(a)	See 7(a); business owned by veteran, reservist, National Guard member, spouse of above or widow of a service member who died during service or from a service-connected disability
Rural/Small Lender Advantage Shorter, simplified application for smaller loans. Expedited loan processing for lenders doing 20 or fewer loans per year	\$350,000 (total loan amount)	90%	See 7(a)	See 7(a)	See 7(a)	See 7(a)	See 7(a)
CAPLines Short-term loans: Seasonal, Contract, Builders, Standard Asset-Based, Small Asset-Based	Same as 7(a) except Small Asset Based limited to \$200,000	See 7(a)	Finance seasonal working capital needs; costs to perform contract(s); construction costs of spec buildings; advances against existing inventory and receivables	Up to 5 years	See 7(a)	See 7(a); no restrictions on servicing fee under Standard-Asset Based	See 7(a); must be existing business, except Asset Based and Small Asset Based